GUIDELINES FOR ANNUAL PERFORMANCE REPORTS:
CATEGORY 1 GOVERNMENT ENTITIES

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INTRODUCTION

The *Guidelines to Annual Performance Reporting*: *Category 1 Government Entities* are provided for use by all Category 1 government entities. These guidelines provide a framework to enable each entity to present a concise, coherent, and consistent picture of its goals and progress towards annual objectives outlined in its strategic plan. It is an explanation of the reporting component of the provincial *Transparency and Accountability Act* which can be found at: http://www.gov.nf.ca/hoa/sr/.

While the guidelines are intended to provide a consistent foundation for all annual performance reports, they may be customized as necessary to suit the purposes of individual entities. The guidelines present a general format, and do not provide overly prescriptive instructions for preparing annual performance reports. To ensure that reports are reader-friendly and accessible to the public, annual reports should not exceed 20 pages in length.

Annual performance reports provide an excellent opportunity to communicate progress and achievements to the public. Entities will be expected to present meaningful, complete, and accurate reports with an emphasis on quality in writing and production standards. The Transparency & Accountability Office will provide advice to entities upon request.

REPORTING OVERVIEW

Annual performance reporting is the formal vehicle that government uses to communicate with the public and the legislature, and is an integral part of the governance process. It provides essential support to decision-making, program and policy improvement, and public accountability. Annual performance reports promote a better understanding of progress toward the entity's strategic and policy directions. It is important to present information on the effects and effectiveness of the entity's policies and programs. Reporting relates to broader public accountability and transparency. It does not exist independently, but plays an important role in governance through the strategic planning cycle.

Reporting Principles

- provide a coherent and balanced picture of progress that is concise and clear
- link progress to earlier commitments, and explain any changes
- set progress in context
- link resources to outcomes
- explain why the public can have confidence in the report

Through the planning process that has been undertaken over the last few years, entities are developing the capability to identify, measure, and report on progress toward stated goals. There is a fine balance between reporting accurate, useful information, and providing the public with infinite detail on every initiative undertaken in the reporting period. Presenting too much detail about too many topics may serve only to complicate and obscure the message. We are asking that annual performance reports be used to clearly and concisely provide meaningful information, based on the objectives in the strategic plan, to the public in a brief, readable document.

Annual performance reports should present information on the outcomes of your activities in a way that helps readers to understand the context and purpose. For this reason, communications personnel, where they exist, should be involved in preparing the annual performance report.

The distinction is made between annual reports that may not include actual comment on outcomes versus annual performance reports that specify whether goals and objectives were achieved. These guidelines are referring to annual performance reports required in the *Transparency and Accountability Act*. It is recognized that performance reporting is evolving. However, each entity should strive in each subsequent year to come closer, to reporting the desired and actual outcomes than it did in the previous year. The expectations outlined in the *Transparency and Accountability Act* must be fully implemented by April 2008. To gain a better understanding of the expectations please refer to section nine of the *Act*.

PRODUCTION STANDARDS

It is recommended that all entities follow the same general format and the same publication standards. While each entity is different, and the guidelines may be open to interpretation, it is suggested that the layout advice and length restrictions be followed, provided that they are suitable for the entities' needs.

Annual Performance Report Checklist
To what extent does the report

- provide a coherent and balanced picture of progress that is concise and clear?
- communicate progress on all relevant strategic directions of government?
- link progress to earlier commitments, and explain any changes?
- set progress in context explaining any variances?
- link resources to outcomes?
- explain why the public can have confidence in the report?

Acknowledging that most of the background information (vision, mission, lines of business, etc.) is already available in strategic plans, it is necessary to provide readers with goals and yearly objectives and any background information that would enable them to understand the factors influencing policy directions, implementation strategies, progress to date, and the general environment in which the organization is operating. The annual performance report is an opportunity to enhance public understanding of your entity and its strategic issues. Documents are to be produced (written and printed) by each individual entity. Minimum production standards are provided to facilitate consistent report production, but these may be customized as necessary to suit the purposes of individual entities.

The Communications and Consultation Branch of Executive Council has developed a common graphic layout to be used by all entities. Reports should employ a very simple structure, following the format provided below. The aim is to create a document that is readable, understandable, and visually appealing.

Page Layout:

- All margins: 1"
- Type should be 12 point (excluding headings) and in a standard font such as Times New Roman or Arial
- Government Entity's name and page numbers should appear in footers (beginning after the table of contents)
- Allow sufficient white space - text should not appear crowded

The Transparency & Accountability Office is available to provide advice to departmental coordinators and government entity personnel, as necessary.

Electronic Publication Standards

Electronic publication standards are available from the Communications and Consultation Branch of Executive Council and are available through the departmental coordinator or Transparency & Accountability Office personnel. Annual performance reports may be posted on the entity's Web site. Some entities have their own Web sites, in which case their own Web publication standards should be used. Electronic and printed versions must be consistent.

SUGGESTED REPORT CONTENTS

FORMAT

1. Table of Contents (1 page)
2. Minister's/Chairperson's Message (1 page)
3. Government Entity Overview (2 page)
   a. Vision
   b. Mission
   c. Lines of Business
   d. Number of Employees
   e. Physical Location
   f. Other Key Statistics
4. Shared Commitments (1 to 2 pages)
5. Highlights and Accomplishments (either 1 to 2 pages, or dispersed throughout report)
6. Outcomes of Objectives (5 to 6 pages)
   a. Strategic Issues
   b. Goals and Relevant Objectives
   c. Progress and Accomplishments (outcomes)
   d. Objective, Measures and Indicators for next fiscal year
7. Opportunities and Challenges Ahead (1 page)
8. Financial Statements

Minister's or Board Chairperson's Message - 1 page

The Message should take the form of a transmittal letter and identify acceptance of responsibility for results and any variances explained in the report. The message should also include a general comment about success in achieving the relevant strategic directions of Government as communicated by the responsible minister.

Government Entity Overview - 2 page

The Government Entity Overview should be presented immediately after the Message, and include the entity's vision, mission, lines of business, as well as other key statistics, such as the number of employees, physical location (including regional representation), and brief, general description of revenues and expenditures (e.g,. this could be presented in two small pie charts).

Shared Commitments - 1 to 2 pages

This section provides an opportunity to explain how others influence your strategic plan (e.g., industry, government departments, public bodies) and how the organization's strategic issues are influenced by that overlap. For example, if your organization's plan identified a strategic issue that your organization is unable to address autonomously, you may wish to indicate how you work with your partners to address this issue (note that any variance that may exist between planned and actual results must be explained). Similarly, if your organization is addressing a *strategic direction* of government, identified in your operational or work plan which requires the support of partners, then you may wish to identify progress in this section. Otherwise, this information must be provided in the highlights and accomplishments section.

Highlights/Accomplishments - 1 to 2 pages (or dispersed throughout report)

This section highlights accomplishments and good news stories over the reporting period, while presenting a balanced picture. This section should also include progress in *strategic direction* areas of government that the organization is addressing independently through operational or work plans. This section does not include a discussion of the outcomes of strategic objectives.

Outcomes of Objectives - 5 to 6 pages

For each strategic issue from your plan, state (i) the goal, (ii) the relevant objective and (iii) and results and benefits based on the information gathered from your performance measures and indicators. Variances between planned and actual results must be explained. Also include the objective, measures and indicators for the next fiscal year.

Opportunities and Challenges Ahead - 1 page

This section allows the entity to briefly inform readers about potential obstacles or opportunities that are likely to arise in the near future which could influence your organization's strategic issues or directions.

Financial Statements

Where the audited financial statements are completed by a private auditor, the complete financial statements should be included and as well there should be a brief explanation (of approximately one paragraph) of the overall deviation from the projected results. The auditor would approve this presentation before it is published. Where the entity is dependent on the Public Accounts for audited information, guidelines are provided in Appendix C.

CRITICAL DATES TO BE CONFIRMED WITH THE TRANSPARENCY & ACCOUNTABILITY OFFICE

All entities are expected to table annual performance reports 6 months after the year end unless otherwise stated in legislation.

Copies of the annual report should be submitted to the Transparency & Accountability Office prior to the time of tabling.

APPENDIX A : TABLING REQUIREMENTS

1. **Expectations**: All entities are expected to table reports annually as follows:
Category 1 Government Entities: Annual Performance Reports
Category 2 Government Entities: Annual Business Reports*
Category 3 Government Entities: Annual Activity Reports*

**separate guidelines for the preparation of annual reports are available for these categories.*

Exceptions to the rule: Entities which are inactive may be included in the responsible department's annual report.

2. **Timing**: All government entities are expected to table reports within six months of their fiscal year end unless specified in legislation

3. **Type of version**: Copies must be printed versions. Electronic versions are not acceptable.

4. **Number of copies**: 56 copies must be provided unless otherwise specified by the responsible Minister (in certain cases more then 56 copies may be required).

5. **Process**: *When the House of Assembly is*

open:
- Consult with the Clerk of the House of Assembly.
- The assigned personnel in the responsible department should prepare the transmittal letter to accompany reports to be tabled (normally this will be done in consultation with the Department's Director of Communications).
- The Minister should ensure the tabling is placed on the agenda for the House through the Government House Leader.
- The Clerk of the House of Assembly would ensure the reports are distributed/made available to the members of the House of Assembly.
- Any excess reports may be delivered to the Legislative Library.

closed:
- Consult with the Clerk of the House of Assembly.
- The reports should be delivered to the Speaker of the House of Assembly and to the Clerk of the House of the Assembly.
- The Clerk of the House of Assembly would ensure the reports are distributed to the members of the House of Assembly.
- A record is kept to verify that the reports have been tabled.
- Any excess reports may be delivered to the Legislative Library.

Exceptions to the rule: When the House is dissolved (e.g., when there is an election) reports are held until the House of Assembly is reconstituted.
Where the relevant legislation for an entity specifies another process.
Where otherwise directed by Cabinet Secretariat.

Under no circumstances shall the terminology used conflict with the *Transparency and Accountability Act*. The terminology provided below supersedes any previous issuances. Some of the terms are accompanied by examples and/or explanations. These terms support the information contained in this document and all other documents of the Accountability Office.

Accountability
Accountability is the ownership of conferred responsibilities, combined with an obligation to report to a higher authority on the discharge of those responsibilities and the results obtained.

Accountability Framework
An accountability framework encompasses a broad range of related components of a transparent and accountable structure which include performance-based planning, monitoring, performance-based reporting, and feedback. It would be supported by the issuance of guidelines and policies which consider the legislative and strategic directions of government.

Activities
Activities are the actions that are completed to fulfill an obligation outlined in an assigned mandate.

Benchmarks
Benchmarks are the standards against which performance will be measured. Those benchmarks, which are points of reference, can be determined by the entity or the Province. They can be based on: the ideal set by the entity; the best in the field for the programs and services of a particular type. Benchmarks established should support the direction established by the provincial government.

Consumption
Consumption is the process of using inputs.

Goal
A goal is a specific statement of the desired results to be achieved over a specified period of time.

Impact
An impact is an intended or unintended consequence of policies, programs, services or products, which is either positive or negative.

Indicator
An indicator is a particular value or characteristic used to measure activities, outputs or outcomes. It is important that indicators are comparable. Comparable indicators are a specific set of common quantitative or qualitative data for the aspect of performance under consideration. There are two types of indicators:

Indicator of Well-being

An indicator of well-being is quantitative data that indicates changes in physical, social or economic states. It is multidimensional (i.e. expressed as a ratio or percentage). Indicators should be a fair reflection of the things the entity can reasonably control and of those things which have a logical connection to the information which the entity desires to report. Indicators of well-being should meet the criteria specified in this document.

Indicator of Process

An indicator of process is qualitative or quantitative data that is used to indicate progress toward a desired objective, goal and/or mission. The indicator can be uni-dimensional (i.e. expressed as a data point that is a number or categorical value). Examples of process indicators include: taught XX number of students in 200?; the committee met 5 times and has a policy document drafted; outcomes have been established for 10 of 20 program areas.

Information

Information can be of two types: baseline data or governance information.

Baseline Data

Baseline data are quantitative information collected preferably before a program/service/ activity commences, for the purposes of making future comparisons.

Governance Information

Governance information is qualitative information collected by a minister or a governing body before a process or activity commences that provides evidence which will be used to make future comparisons.

Inputs

Inputs are the resources used to carry out actions.

Lines of Business

Lines of business are discrete and coherent sets of programs, services and/or products that represent what the entity delivers to its external clients.

Measures

Measures provide specific information used when indicators are combined to assess the extent of accomplishment of results (activities/outputs/outcomes). Various types of measures are listed below.

Effectiveness Measures

Effectiveness measures are the different ratios which tell if a planned result was accomplished.

Example: cost per client.

Input Measures

Input measures are used to quantify the amount of resources used to complete the activity and produce the outputs.

Example: human resources utilized to complete an activity or produce the outputs.

Outcome Measures

Outcome measures are used to provide qualitative and quantitative information indicating the degree to which an entity can be credited for the achievement of its planned objectives. There can be measures of well-being or process outcomes.

Example of well-being: reduction in the number of citizens dependent upon income support compared with the total population.

Example of process: number of cases settled compared with the number heard.

Output Measures

Output measures are used to tell the amount produced as a result of the inputs used in a program or service.

Example: number of applications processed compared with the inputs.

Process Measures

There are three types of process measures designed to monitor the organization's activities: efficiency measures, activity based and unit cost measures:

Activity-based measures

Activity-based measures are used to quantify how busy an organization is and enable the organization to determine the use for a specific program or service.

Example: phone calls handled per employee.

Efficiency Measures

Efficiency measures are ratios of outputs to inputs. They tell how well the organization used its resources to produce the programs and services.

Example: number of individuals ticketed per police officer.

Unit costs

Unit costs are the ratios of outputs to input expenditures.

Example: number of cases handled compared with fiscal investment.

Proxy Measures

Proxy measures are used when direct measurement of a specific outcome is not possible. They are a surrogate or substitute data used when costs, complexity or timeliness prevent a result from being measured directly. There are cases where Category 1 entities will have to use proxy measures.

Example: obesity rates are not available for a certain geographical area of the province therefore body mass index is used.

Mission

A mission statement is an outcome oriented statement which systematically diagrams the vision by answering the questions who, what and why. It is essential that it is realistic and achievable in 6 to 8 years (approximately 2 cycles of planning), tells the ultimate result of your work, answers who will do what and why they are striving to achieve this end, and is memorable.

Objective

An objective is a measurable statement or incremental milestone which specifies a change or benefit that the entity hopes to achieve as it strives to achieve a specific goal. Success in meeting the objectives can be readily evaluated using qualitative and quantitative measures.

Outcome

An outcome is a change as a consequence of specific policies, programs and initiatives undertaken by entities. Outcomes can be immediate, intermediate and ultimate. An immediate outcome could be a change in attitudes. An intermediate outcome could be a change in behavior. The ultimate outcome would be a lower or higher incidence of a specific result (e.g. lower- disease, drop out rate, unemployment, accidents) (e.g. higher- year-around employment, literacy, retention of qualified workers, students completing career paths).

Well-being outcomes

Well-being outcomes are external physical, social or economic changes as a consequence of policies, programs and initiatives undertaken by an entity.

Process outcomes

Process outcomes are internal or external changes that result from a defined course of action as a consequence of the objectives and goals undertaken by an entity. These changes are often required if the well-being outcomes are to be eventually achieved.

Outputs
An output is what is produced as a direct result of transforming resources through an activity or process (series of activities) undertaken using the inputs (resources).

Performance
Performance refers to actual results measured against defined standards.

Performance Framework
Performance framework is used to define the steps of the process to be completed as a component of the planning process.

Performance Measurement
Performance measurement is a quantitative and qualitative process to assess if the entity has completed its intended activities or achieved its desired outputs or outcomes in the most cost effective and timely manner possible.

Performance Report
A performance report is a summary of the organization's activities (Category 3), outputs (Category 2) or outcomes (Category 1) which provides a clear linkage between its plan and the results actually obtained using the specified performance measures.

Policy
A policy enables or restricts actions as a means of specifying outputs, outcomes or parameters. It provides specific information about the ends the entity desires to achieve, direction for the CEO and staff, and governance/operational level processes.

Process
A process is a set of activities which are aimed at planned outputs.

Production Activity
A production activity is the process which transform inputs (resources) into outputs (usually services in the case of the public sector).

Program
A program is a set of projects, services or events intended to meet a public need.

Result
The result is the accomplishment, desired or unintended, which arises from any process or operation. It may take more than one result to achieve a desired outcome.

Social Audit
A social audit is an independent review of the social and economic well-being of communities. It is a means of ensuring that government's programs and policies are meeting people's needs.

Strategic Issue
A strategic issue is the most significant internal and/or external change which the organization must manage to realize its vision and the capacity of the organization to effectively manage the impacts of this change.

Strategy
A strategy is a systematic plan of action that an organization intends to take in order to achieve its objectives. Strategies are dynamic and may need to be modified based on new knowledge or changing circumstances.

Target
Targets are specific, measurable, achievable, realistic, and time bound changes/benefits the organization intends to achieve.

Example: By 200?, increase scores of NL rural 15 year olds in reading, science and mathematics to the national average, as measured by the Program for International Student Assessment.

Example: Increase full-time employment by 2% within five years.

Values
Values are the fundamental principles, which can be described as actions that guide behaviour and decision making.

Vision
A vision is a short statement describing the ideal state an organization is striving to achieve for its clients or the ideal state that an organization sees for society. It answers the question, "What is the outcome for the citizens of the province if the entity achieves its mandate?

The following applies to government entities that publish financial information through the public accounts.

If the Public Accounts have not been formally released prior to the tabling of your annual performance report, financial information for your entity may be accessed from the Oracle financial system for purposes of meeting any tabling deadline.

Any reference in your annual performance report to expenditures and revenues should be sourced from your financial results as obtained from the Oracle system. As well, inclusion of such information should specifically reference the following disclosure which must be included in your annual performance report:

> ***Expenditure and revenue figures (cash-based) included in this document are based on draft information, as the Public Accounts had not yet been formally released. Readers are cautioned that these figures may be subject to adjustment.***

In the event that the Public Accounts are formally released prior to submission of your report, Public Accounts figures should be used and the following disclosure must be included in your annual performance report:

> ***Expenditure and revenue figures included in this document are based on the Public Accounts.***

Note: If accrual-based information is provided (also applies to assets/liabilities) the disclosure wording should be adjusted accordingly.

All government entities should follow the style points outlined in the guidelines to ensure some level of consistency among all entity reports.

- Avoid jargon and lengthy sentences. If it is necessary to use a technical term, ensure that it is explained properly.
- Use the active versus passive voice (e.g., "we wrote the reports" vs. "the reports were written by us").
- Ensure that tense is correct and consistent. The annual report refers to activities already completed, so the past tense is appropriate.
- Write the fiscal year as **2005-06**. Follow this format for other fiscal years referenced.
- Use **per cent** not **%** (except when used in a table or graphics).
- Write out numbers when under 10 (nine) and when at the beginning of a sentence (Thirty-seven people...) But for 10 and over, use digits. Do not use "ten (10)".
- Numbers larger than 999 use commas to prevent the number from being separated across two lines.
- Do not use "th" with a date - not June 17th, but June 17.
- When just using month and year, do not use a comma to separate the month and year (January 2002).
- Use "and" not "&".
- When using the full name of an act, use italics (*Gasoline Tax Act*).
- For purposes of the annual report, Government, Province, and Department may be capitalized when standing alone. Use "province" when referring to the geographic area.
- Avoid the use of etc., e.g., and i.e.
- If using an acronym, ensure that it is spelled out on first use. Avoid the use of too many unfamiliar acronyms.
- Use hyphens to make it obvious when words work together as a single adjective conveying a single idea (one-year trades-related program).